

**BEFORE THE COMMISSIONER OF FINANCIAL INSTITUTIONS
STATE OF TENNESSEE**

SENTINEL TRUST COMPANY)
Hohenwald, Tennessee)
)
)

NOTICE OF LIQUIDATION OF SENTINEL TRUST COMPANY

The Commissioner of the Tennessee Department of Financial Institutions hereby gives notice, pursuant to Tenn. Code Ann. § 45-2-1502(c)(2), that he has determined to liquidate

SENTINEL TRUST COMPANY.

As the basis for such determination, the Commissioner would state as follows:

1. Sentinel Trust Company ("Sentinel") is a Tennessee corporation engaged in fiduciary activities and subject to regulation by the Commissioner under the Tennessee Banking Act pursuant to Tenn. Code Ann. § 45-1-124.
2. On May 3, 2004, the Commissioner issued an Emergency Order and Notice of Charges directing Sentinel to cease and desist from engaging in unsafe and unsound banking practices. That Order found that Sentinel had used pooled fiduciary funds to provide operating capital for non-related defaulted bond issues, thereby creating a fiduciary cash shortfall that

greatly exceeds Sentinel's current operating capital and that Sentinel had failed to reconcile fiduciary cash and corporate cash accounts in a timely and accurate fashion and to keep accurate books and records.

3. On May 18, 2004, the Commissioner took emergency possession of Sentinel pursuant to Tenn. Code Ann. §§ 45-2-1502(b)(2) and (c)(1) and appointed Receivership Management, Inc. as the Receiver for Sentinel Trust Company pursuant to Tenn. Code Ann. § 45-2-1502(b)(2).

4. Since taking possession of Sentinel, the Commissioner, through his staff and the appointed Receiver, has determined that Sentinel had a fiduciary cash shortfall of at least \$5,789,011 as of December 31, 2003. The Commissioner also determined that this fiduciary cash shortfall increased to an amount ranging from \$7,612,218 to \$8,427,122, as of May, 18, 2004, the date of possession.

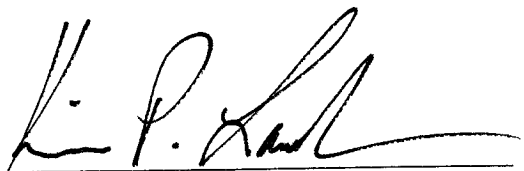
5. The Commissioner has further determined that Sentinel is insolvent in an amount of at least \$6,225,000; does not have sufficient liquid assets to pay off its bondholders and creditors; and, that there is no viable plan for the infusion of sufficient capital to eliminate Sentinel's substantial deficiency.

Accordingly, the Commissioner has determined that liquidation of Sentinel Trust Company in accordance with the provisions of Tenn. Code Ann. §§ 45-2-1502(c)(2) and 1504 is necessary and appropriate.

Any person aggrieved or directly affected by the Commissioner's determination to liquidate Sentinel Trust Company may have judicial review in Davidson County Chancery Court

by common-law writ of certiorari, as provided in Title 27, Chapter 9 of Tennessee Code

Annotated, pursuant to Tenn. Code Ann. § 45-1-108(a).

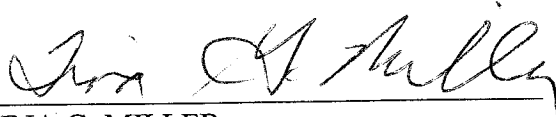


COMMISSIONER KEVIN P. LAVENDER
Tennessee Department of Financial Institutions

Date: 6-18-04

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing Notice has been sent by first class U.S. Mail, postage prepaid, and by facsimile transmission where facsimile number information is known, to: (1) the Directors, (2) the Stockholders, (3) the Depositors (Issuers of all Municipal and Corporate Bond Issues for which Sentinel Trust Company serves as a fiduciary) and (4) all known Creditors of Sentinel Trust Company, in accordance with the requirements of Tenn. Code Ann. § 45-2-1502(c)(2), this 18th day of June, 2004.



TINA G. MILLER
Staff Attorney
Tennessee Department of Financial Institutions